



First Union Rail Corporation
NC5811
Commercial Leasing Group
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018
Tel 847 318-7575
847 318-7588

VIA UPS 2nd DAY AIR

November 21, 2002

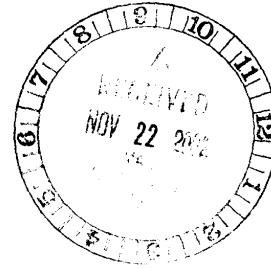
RECORDATION NO. 24223 FILED

NOV 22 '02

1-2878

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

SURFACE TRANSPORTATION BOARD



Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated November 18, 2002, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Kankakee, Beaverville and Southern
Railroad Company
2347 N. US Highway 52
Iroquois, IL 60945

A description of the railroad equipment covered by the enclosed document is fifty-two (52) 4600/4750 cubic foot covered hopper cars, with car marks FURX, NOKL and PRAX (see Exhibit A for numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Amy Carone
Manager of Documentation

Enclosures

(KBSR001)

ASSGN. NO.: KBSR001

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this 18th day of November, 2002, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Kankakee, Beaverville and Southern Railroad Company ("Lessee"), an Illinois corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of November 18, 2002, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of October 30, 2002, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By:

Name:

RICHARD F. SEYMOUR
Vice President Sales & Marketing

Title:

By:

Name:

Title:

Executed on this

18th day of November, 2002.

[CORPORATE SEAL]

STATE OF

ILLINOIS

COUNTY OF

COOK

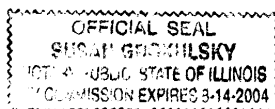
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 18th day of November, 2002.

Susan Grokulsky
Notary Public

Commission Expires:

8-14-2004
(Notary Public)



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NOV 22 12

1-25 PM

SURFACE TRANSPORTATION BOARD

LESSEE:

KANKAKEE, BEAVERVILLE AND SOUTHERN RAILROAD
COMPANY

ATTEST:

By: Robert M. Garner

Name: ROBERT M. GARNER

Title: GENERAL MANAGER

By: Carmelita Hall

Name: Carmelita Hall

Title: Asst. Treas

Executed on this 15th day of NOVEMBER, 2002

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF IROQUOIS

I, GAYLE A. FLETCHER, a Notary Public of the County and State aforesaid,
certify that ROBERT M. GARNER personally appeared before me this day and
acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 15th day of Nov., 2002

Gayle A. Fletcher
Notary Public

Commission Expires:

7-12-05
(Notary Public)



EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Fifty-two (52)

DESCRIPTION OF CARS: 4600/4750 cubic foot capacity covered hopper cars equipped with gravity gates and trough hatches

CAR NUMBERS: See below:

FURX 815495	NOKL 822332
FURX 816701	NOKL 822335
FURX 816715	NOKL 822340
FURX 816729	NOKL 822348
FURX 818601	NOKL 822354
FURX 818602	NOKL 822484
FURX 818604	NOKL 822491
FURX 818606	NOKL 822508
FURX 822180	NOKL 822510
FURX 822472	NOKL 822520
FURX 823965	NOKL 822960
FURX 824245	NOKL 823418
FURX 826860	NOKL 827553
FURX 830026	NOKL 827635
FURX 833052	NOKL 827678
FURX 833309	NOKL 827700
NOKL 821742	NOKL 827717
NOKL 822263	NOKL 827729
NOKL 822264	NOKL 828244
NOKL 822269	NOKL 829468
NOKL 822270	NOKL 829552
NOKL 822271	NOKL 830510
NOKL 822275	PRAX 818636
NOKL 822283	PRAX 825058
NOKL 822285	PRAX 825970
NOKL 822299	Count: 52
NOKL 822328	